

Legal Order Payee must select all options carefully. If any of the information provided is inconsistent with the accounts Legal Order Payee holds, the form will be returned for clarification.

Step 1: Select one system

☐ PERS (98759) OR ☐ TRS (98760) OR ☐ SERS (98761)

Step 2: Select Investment Program(s) in Section C.

When would Legal Order Payee use this form?

When Legal Order Payee receives an award from a property division order or court-approved property settlement that has been approved by the Department of Retirement Systems.

Additional Information

- The account must be divided before submitting this form.
- Refer to the Legal Order Payee Withdrawal Guide for assistance in completing this form.
- Use blue or black ink when completing this form.

A What is Legal Order Payee's personal information?

Account extension, if applicable, identifies funds transferred to a legal order payee due to divorce.

Account Extension

			-			-				
--	--	--	---	--	--	---	--	--	--	--

Legal Order Payee's Social Security Number (Must provide all 9 digits)

			-			-				
--	--	--	---	--	--	---	--	--	--	--

Member's Social Security Number (Must provide all 9 digits)

Last Name

First Name

M.I.

Date of Birth (mm/dd/yyyy)

()

Email Address - By providing an email address above, I am consenting to receive emails related to this request.

Daytime Phone Number

Select One (Required):

☐ I am a U.S. citizen or U.S. resident alien

☐ I am a non-resident alien or other

()

Alternate Phone Number

Required - Provide country of residence:

(See Guide for IRS Form W-8BEN information)

Indicate Relationship to Member

A withdrawal made payable to Legal Order Payee will be mailed to the address on file unless otherwise requested in the Change of Address/Alternate Address Notarization section. The address on file may be confirmed by accessing the account online at www.drs.wa.gov/plan3. If Legal Order Payee recently changed their address or have any questions regarding the address on file, Legal Order Payee should contact the Client Service Department at 1-888-327-5596. **If Legal Order Payee requires a change of address or check delivery to an alternate address that is submitted the same day this request is submitted, their signature must be notarized in the Change of Address/Alternate Address Notarization section.**

B What is the withdrawal method?

☐ Full Withdrawal

☐ Partial Withdrawal

Amount \$ _____ or _____ % ☐ Gross Amount ☐ Net Amount

☐ Required Minimum Distribution

Last Name

First Name

M.I.

Social Security Number
(Please provide on each page)**C What is the payment option?****For Self-Directed Investment Program (01)**☐ **Payment to Self**☐ **Periodic Installment Payments**Payment Start Date: ____/____/____ Frequency: ☐ Monthly ☐ Quarterly ☐ Semi-Annually ☐ Annually
(mm/dd/yyyy)☐ Payment of an Amount Certain \$ _____☐ Payment for a Period Certain (Years) _____☐ **Direct Rollover** - Available for spousal Legal Order Payees only - Provide company information.

Amount \$ _____

☐ Direct Rollover to an Eligible Plan: ☐ Governmental 457(b) ☐ 401(a/k) ☐ 403(b)☐ Direct Rollover to a Traditional IRA☐ Direct Rollover to a Roth IRA - Subject to ordinary income taxes

The required minimum distribution cannot be rolled over. If Legal Order Payee has not yet satisfied the minimum distribution requirements for the year, the required amount must be distributed prior to processing a rollover.

Required minimum distribution amount \$ _____

If no amount is provided, the Record Keeper will automatically calculate for both the Self-Directed and WSIB investment programs.

Does Legal Order Payee wish to have 10% federal income tax withheld from the required minimum distribution?: ☐ Yes ☐ No

Additional amounts may be withheld at Legal Order Payee's request \$ _____

If Legal Order Payee requests a rollover, provide the information requested below._____
Company or Trustee's Name (to whom the check should be made payable)_____
Account Number_____
Mailing Address_____
City/State/ZIP Code**For WSIB Investment Program (02)**☐ **Payment to Self**☐ **Periodic Installment Payments**Payment Start Date: ____/____/____ Frequency: ☒ Monthly
(mm/dd/yyyy)☐ Payment of an Amount Certain \$ _____☐ Payment for a Period Certain (Years) _____☐ **Direct Rollover** - Available for spousal Legal Order Payees only - Provide company information.

Amount \$ _____

☐ Direct Rollover to an Eligible Plan: ☐ Governmental 457(b) ☐ 401(a/k) ☐ 403(b)☐ Direct Rollover to a Traditional IRA☐ Direct Rollover to a Roth IRA - Subject to ordinary income taxes

The required minimum distribution cannot be rolled over. If Legal Order Payee has not yet satisfied the minimum distribution requirements for the year, the required amount must be distributed prior to processing a rollover.

Required minimum distribution amount \$ _____

If no amount is provided, the Record Keeper will automatically calculate for both the Self-Directed and WSIB investment programs.

Does Legal Order Payee wish to have 10% federal income tax withheld from the required minimum distribution?: ☐ Yes ☐ No

Additional amounts may be withheld at Legal Order Payee's request \$ _____

If Legal Order Payee requests a rollover, provide the information requested below._____
Company or Trustee's Name (to whom the check should be made payable)_____
Account Number_____
Mailing Address_____
City/State/ZIP Code

D How should the withdrawal be delivered?
Select One - Delivery time estimates are based on completion of the withdrawal process, which includes receipt of a complete request in good order.

- If no option is selected, all transactions will be sent by United States Postal Service ("USPS") regular mail.
- If Legal Order Payee would like to make a change to what was previously selected, cross-out and initial the change(s). If Legal Order Payee does not initial all changes, **all transactions will be sent by USPS regular mail.**
- ☐ **Check by USPS Regular Mail**
 - Estimated delivery time is 7-10 business days
 - No additional charge
- ☐ **Check by Express Delivery**
 - Estimated delivery time is 1-2 business days
 - A non-refundable charge of up to \$25.00 will be deducted for each check.
 - Not available for Periodic Installment Payments.
 - Available for delivery, Monday - Friday, with no signature required upon delivery.
 - If address is a P.O. Box, check will be sent by USPS Express and estimated delivery time is 2-3 business days.
- ☐ **Direct Deposit via Automated Clearing House ("ACH")**
 - **I, the Legal Order Payee, understands that to establish Direct Deposit via ACH, in addition to including the required documentation requested below, I must have my signature notarized in the 'Legal Order Payee Notarization' section of this form. If either the required documentation is not attached or Legal Order Payee signature is not notarized, ACH will not be established on my account and a check will be mailed to the address on my account.**
 - Estimated delivery time is 2-3 business days.
 - No additional charge
 - Not available for Direct Rollovers.
 - If Legal Order Payee has requested a periodic installment payment and the first payment processing date does not allow for the 10 day pre-notification process, Legal Order Payee understands that the first payment will be sent by check to the address on file.
 - **The name on Legal Order Payee's checking/savings account MUST match the name on file with the Record Keeper.**
 - **If the Direct Deposit information is incomplete or illegible, then a check will be mailed to the address of record to avoid any delays in processing.**
- ☐ Checking Account - **MUST include a copy of a preprinted voided check** for the receiving account. Legal Order Payee may also attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which includes Legal Order Payee's name, checking account number and ABA routing number.
- ☐ Savings Account - **MUST include a letter on financial institution letterhead**, which includes Legal Order Payee's name, savings account number and ABA routing number.

An ACH request cannot be sent to a prepaid debit card, business account or another retirement Plan. By requesting my withdrawal via ACH deposit, I certify, represent and warrant that the account requested for an ACH deposit is established at a financial institution or a branch of a financial institution located within the United States and there are no standing orders to forward any portion of my ACH deposit to an account that exists at a financial institution or a branch of a financial institution in another country. I understand that it is my obligation to request a stop to this ACH deposit request if an order to transfer any portion of payments to a financial institution or a branch of a financial institution outside the United States will be implemented in the future. The Record Keeper reserves the right to reject the ACH request and deliver any payment via check in lieu of direct deposit.

- ☐ **Wire Transfer**
 - **I, the Legal Order Payee understand that to have my proceeds sent as a Wire Transfer, in addition to including the required documentation requested below, I must have my signature notarized in the 'Legal Order Payee Notarization' section of this form. If either the required documentation is not attached or Legal Order Payee's signature is not notarized, the proceeds will not be sent via Wire Transfer and a check will be mailed to the address of record.**
 - Estimated delivery time is 1-2 business days
 - A non-refundable charge of up to \$40.00 will be deducted for each wire.
 - Not available for Periodic Installment Payments.
 - **MUST include a letter on financial institution letterhead, signed by a representative from the receiving institution, which provides the wire transfer instructions.** The letter must include the following wire transfer information: Bank Name, complete Bank Mailing Address, including City, State and ZIP Code, Account Name, Account Number, ABA Routing Number and 'For Further Credit to' Name and Account Number.
 - Additional fees may apply at the receiving financial institution.
 - **The Record Keeper is not responsible for inaccurate wire transfer instructions.**

E How will Legal Order Payee's taxes be withheld?

Federal Income Tax

Legal Order Payee should refer to and **read the attached 402(f) Notice of Special Tax Rules on Distributions and the Guide.** Direct rollovers are available for spousal Legal Order Payees only. No federal income tax will be withheld from direct rollovers. Twenty percent (20%) mandatory federal income tax withholding will apply to all withdrawals to spousal Legal Order Payees that are eligible for rollover, but are not rolled over. For all other payments to spousal Legal Order Payees and payments to non-spousal Legal Order Payee's, federal income tax will be withheld at the rate of 10%, unless the Record Keeper is directed otherwise below.

☐ Do NOT withhold federal income tax from Legal Order Payee's withdrawal.

If Legal Order Payee would like **additional** federal income tax withheld, indicate an amount \$ _____ or _____% of the withdrawal amount.

If electing a periodic payment for a period certain of 10 years or longer or for Legal Order Payee's life expectancy, Legal Order Payee may complete and attach IRS Form W-4P. Legal Order Payee may obtain a Form W-4P at www.irs.gov.

State Income Tax

No state income tax will be withheld on the withdrawal. If Legal Order Payee lives in a state other than Washington and the withdrawal is subject to state income tax, Legal Order Payee may be subject to estimated tax rules and will need to deposit the appropriate amount with the Department of Revenue of Legal Order Payee's state of residence in a timely manner.

Last Name

First Name

M.I.

Social Security Number
(Please provide on each page)**F Legal Order Payee Consent**

I acknowledge that I have read, understand and agree to all pages of this Plan 3 Legal Order Payee Withdrawal form, the Legal Order Payee Withdrawal Guide and the 402(f) Notice of Special Tax Rules on Distributions and affirm that all information that I have provided is true and correct. I understand the following:

- Any election on this Plan 3 Legal Order Payee Withdrawal form is effective for 180 days.
- It is my responsibility to ensure that this election conforms with all applicable provisions of the Internal Revenue Code (the "Code") and that the Plan into which I am rolling money over will accept the dollars, if applicable.
- I am liable for any income tax and/or penalties assessed by the IRS and/or state tax authorities for any election I have chosen.
- Once a payment has been processed, it cannot be changed or reversed.
- In the event that any section of this form is incomplete or inaccurate, the Record Keeper may not process the transaction requested on this form and may require a new form or that I provide additional or proper information before the transaction can be processed.
- Under penalty of perjury, I certify that the Social Security Number (or Taxpayer Identification Number) shown in Section A on this form is correct. I am a U.S. person if I marked U.S. citizen or U.S. resident alien box in Section A.
- For at least 30 days after my receipt of the 402(f) Notice of Special Tax Rules on Distributions, I have the right to consider whether to consent to a withdrawal of the vested account balance or elect a direct rollover of any vested portion of the eligible rollover withdrawal. By signing this form less than 30 days after I received the 402(f) Notice of Special Tax Rules on Distributions, I affirmatively waive any unexpired portion of the 30 day period and affirmatively elect a withdrawal from the account pursuant to this Plan 3 Legal Order Payee Withdrawal form.
- **My withdrawal may be subject to delivery fees. Please see Section D for more information.**

Any person who presents a false or fraudulent claim is subject to criminal and civil penalties.

Before signing this form: Legal Order Payee signature must be notarized by a Notary Public if Legal Order Payee is requesting Direct Deposit via ACH or Wire Transfer or if Legal Order Payee's withdrawal request will include a change of address or check delivery to an alternate mailing address. The date Legal Order Payee signs this form must match the date of the Notary Public signature.

Legal Order Payee Signature _____ **Date (Required)** _____

A handwritten signature is required on this form. An electronic signature will not be accepted and will result in a significant delay.

Legal Order Payee Notarization

Legal Order Payee signature notarization only required if requesting:

Direct Deposit Via ACH or Wire Transfer

Permanent Address Change - Legal Order Payee would like the address on their account to be updated with this address. If Legal Order Payee is requesting a check, it is understood that the check will be mailed to this address.

Mailing Address

City/State/ZIP Code

Alternate Mailing Address - Legal Order Payee would like the withdrawal check to be sent to the following alternate mailing address. It is understood that this address will be used for this withdrawal only.

Alternate Mailing Address

City/State/ZIP Code

For Residents of all states (except California), please have the notary complete the section below.

Notice to California Notaries using the California Affidavit and Jurat Form the following items must be completed by the notary on the state notary form: the title of the form, the plan name, the plan number, the document date, and the Legal Order Payee's name. The notary forms not containing this information will be rejected and it will delay this request.

The date the Legal Order Payee signs this form must match the date on which the Legal Order Payee's signature above was notarized.

Statement of Notary

NOTE: Notary seal must be visible.

This request was subscribed and sworn (or affirmed) to before me

State of _____)

on this _____ day of _____, year _____, by

SEAL

)ss.

(name of Legal Order Payee) _____

County of _____)

proved to me on the basis of satisfactory evidence to be the person who appeared before me.

Notary Public _____ My commission expires _____/_____/_____

G Where should Legal Order Payee send this form?

After all signatures have been obtained, this form can be sent by

Fax to:Washington State Plan 3
1-866-745-5766**Regular Mail to:**Washington State Plan 3
PO Box 173764
Denver, CO 80217-3764**Express Mail to:**Washington State Plan 3
8515 E. Orchard Road
Greenwood Village, CO 80111

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Plan 3 Legal Order Payee Withdrawal Guide - 401(a) Plan

The Plan 3 Legal Order Payee Withdrawal

- This Guide will assist Legal Order Payee in completing the Plan 3 Legal Order Payee Withdrawal form (the "Form") for 401(a) plans. Legal Order Payee should read all pages of this Guide before beginning to complete the Form.
- This Guide will assist Legal Order Payee in completing each section of the Form and provide the information needed to make informed decisions regarding the withdrawal.
- If further clarification about the information discussed in this Guide is needed, call a representative at 1-888-327-5596.
- Legal Order Payee is encouraged to consult with an accountant and/or tax advisor in the preparation of the Form.
- While our representatives are able to explain the options, they cannot tell Legal Order Payee which withdrawal method is best for them.
- A local representative or any Record Keeper representative will not provide tax or legal advice. Additionally, neither this Guide nor the Form represents tax or legal advice.
- The Record Keeper is required to comply with the regulations and requirements of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"). As a result, the Record Keeper cannot conduct business with persons in a blocked country or any person designated by OFAC as a specially designated national or blocked person. For more information, please access the OFAC Web site at: <http://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>.

Note: If Legal Order Payee's qualified domestic relations order pertains to more than one account or plan number, Legal Order Payee must complete a separate Form for each account or plan number.

Changes to the Request

- If Legal Order Payee makes a change to this Form as it is being completed, Legal Order Payee must cross out any previously elected choice(s) and initial all changes. If all changes are not initialed, this Form may be returned to Legal Order Payee for verification.

Incomplete or Inaccurate Information

- In the event that any section of this Form is incomplete or inaccurate, the Record Keeper may not be able to process the transaction requested on this Form. Legal Order Payee may be required to complete a new form or provide additional or proper information before the transaction will be processed.

Section A: What is Legal Order Payee's personal information?

- All information in this section must be completed in order to properly identify the account.
- All personal information will be kept confidential.
- Legal Order Payee must provide the account extension that identifies the assets awarded to Legal Order Payee through a divorce. This is not applicable for non-spousal Legal Order Payees.
- Legal Order Payee must provide both their Social Security Number and the member's Social Security Number. This information is required to properly identify the accounts and report withholding information to the Internal Revenue Service.
- If Legal Order Payee is a U.S. Non-Resident Alien, they should refer to the "How will Legal Order Payee's taxes be withheld?" section of this Guide to obtain more information about attaching an IRS Form W-8BEN.

Section B: What is the withdrawal method?

- There are several withdrawal methods that may be chosen from on the Form. Depending on the type of withdrawal requested, Legal Order Payee may need to check more than one box in this section. For example, if Legal Order Payee is requesting a rollover of the entire account balance to an IRA, Legal Order Payee should check the Full Distribution box and the Direct Rollover box.
- The following is a brief explanation of each method listed on this Form.

Full Withdrawal

- Check this box if Legal Order Payee wants a full withdrawal of their account.

Partial Withdrawal

- Check this box if Legal Order Payee wants a partial withdrawal. Indicate the amount of the partial withdrawal on the line provided, and select whether the amount of the partial withdrawal requested is a gross amount (federal and/or state income tax withholding will be taken from this amount), or a net amount (the partial withdrawal from the account will be increased by the amount of federal and/or state income tax withheld). The withdrawal will be prorated against all available contribution sources.

Required Minimum Distribution

- Check this box if Legal Order Payee wants a required minimum distribution.

Section C: What is the payment option?

Payment to Self

- Check this box if Legal Order Payee wants the withdrawal to be paid to them directly.

Periodic Installment Payments

- Check this box if Legal Order Payee wants the withdrawal to be paid in periodic installment payments.
- Legal Order Payee must choose from the periodic installment payment options.

Periodic Installment Payment Options:

First Payment Processing Date

- If invested in the Self-Directed Program, Legal Order Payee must select a First Payment Processing Date. The First Payment Processing Date is the date the funds will be withdrawn from the account.
 - Legal Order Payee may choose any day between the 1st and the 28th for the First Payment Processing Date. If the chosen date falls on a non-business day (weekend, holiday, etc.) then the payment will distribute on the next available business day.
- If invested in the WSIB Program, payments are initiated the second business day of each month.
- Allow one to two business days for an electronic delivery to be credited to Legal Order Payee's bank account.

Frequency

- For the Self-Directed Program, Legal Order Payee must select the frequency of the payment from the available options.
- For the WSIB Program, the frequency of the payment will be monthly.

Payment Type

Payment of an Amount Certain (*Gross Amount Only*)

- Legal Order Payee would select this option if they wish to receive specific dollar amount payments on an installment basis.
- The payments will continue until the account balance is zero.
- The number of payments Legal Order Payee receives will vary depending on the performance of the underlying investment options.

Payment for a Period Certain (*Specific Number of Years*)

- Legal Order Payee would select this option if they wish to receive a set number of periodic installment payments.
- Payment amounts will depend on the account value, which may fluctuate depending upon the chosen investments' performance, the number of years elected to receive payments and the frequency chosen.
- The payment amount will be calculated by dividing the current account balance by the number of remaining payments and is recalculated each time a payment is distributed; therefore, the amount of each payment typically differs. For example, if the payout is to be annually for 4 years, the initial payout amount will be equal to 1/4 of the account balance. The second payment will be 1/3 of the balance. The third payment will be 1/2 and the final payment will be the remainder of the account balance, resulting in a zero account balance.

Direct Rollover to an Eligible Plan, Traditional IRA or Roth IRA (Available for spousal Legal Order Payees only)

- It is spousal Legal Order Payee's responsibility to determine if the eligible retirement plan or IRA accepts eligible rollover withdrawals.
- Spousal Legal Order Payee should check this box to have the withdrawal sent to an eligible retirement plan or an IRA and enter the requested amount.
- Beginning in the later of the year that the member attains age 70 1/2 or the year during which they sever employment, spousal Legal Order Payee may not roll over that portion of a withdrawal equal to the required minimum distribution amount. If spousal Legal Order Payee elects a withdrawal in the form of an annuity, as of January 1 of the calendar year in which the member attains age 70 1/2, the IRS will treat the entire portion of each and every annuity payment as a required minimum distribution. Therefore, the entire amount of each annuity payment is not eligible for rollover.
- Spousal Legal Order Payee must complete the Required Minimum Distribution information if he or she is requesting a full withdrawal as a direct rollover and the minimum distribution requirements for the current year have not been met.
- Required Minimum Distributions are not eligible for rollover.
- An eligible rollover withdrawal of the Non-Roth assets may be paid directly to a Roth IRA. Mandatory Federal and State Income Tax withholding does not apply to this type of rollover. However, this withdrawal is subject to Federal and State Income Tax and Spousal Legal Order Payee is responsible for making tax payments. The taxable withdrawal will be reported on IRS Form 1099-R. Making an estimated tax payment to the IRS and an appropriate state authority at the time of this rollover may be one of the options to cover this tax liability. Where deemed appropriate, spousal Legal Order Payee is strongly urged to seek a consultation with their tax advisor.
- Spousal Legal Order Payee may request the designated Roth assets to be rolled over into an eligible retirement plan with a designated Roth account or a Roth IRA.
- It is spousal Legal Order Payee's responsibility to make sure that the eligible retirement plan provides for a designated Roth account and can accept Roth rollovers.
- Provide the company name, account number, mailing address, city, state, ZIP code and a phone number for the direct rollover. If an acceptance letter is attached, the rollover may not be completed if the acceptance letter and the form provide conflicting information. Spousal Legal Order Payee may be contacted to provide additional information.
- If spousal Legal Order Payee chooses this withdrawal method, a Form 1099-R will be issued for reporting purposes; however, no federal income tax will be automatically withheld from amounts directly rolled over.

Section D: How should the withdrawal be delivered?

- Certain delivery options are not available on all types of withdrawals.
- Delivery of payment is based on completion of the withdrawal process, which includes receipt of a complete request in good order.
- Legal Order Payee must select a delivery option from the choices provided. If Legal Order Payee does not make any selection, all transactions will be sent by United States Postal Service ("USPS") regular mail.
- If Legal Order Payee would like to make a change to what was previously selected, cross-out and initial the change(s). If Legal Order Payee does not initial all changes, all transactions will be sent by USPS regular mail.
- Below is a description of each delivery option.

Check by USPS Regular Mail

- Estimated delivery time is 7-10 business days.
- No additional charge.
- If the check is payable to Legal Order Payee, it will be sent to the address on file unless an address change or alternate address is indicated in the Change of Address/Alternate Address Notarization section of the form and is properly notarized.
- If the check is payable to another retirement provider, it will be sent to the address indicated in Section C.

Check by Express Delivery

- Estimated delivery time is 1-2 business days.
- A non-refundable charge of up to \$25.00 will be deducted for each check.
- Not available for Periodic Installment Payments.
- Available for delivery, Monday-Friday, with no signature required upon delivery.
- If the check is payable to Legal Order Payee, it will be sent to the address on file unless an alternate address is indicated in the Change of Address/Alternate Address Notarization section of the form and is properly notarized.
- If the check is payable to another retirement provider, it will be sent to the address indicated in Section C.
- If the address is a P.O. Box, the check will be sent by USPS Express and estimated delivery time is 2-3 business days.
- Delivery is not guaranteed to all areas.

Direct Deposit via Automated Clearing House ("ACH")

- **Legal Order Payee understands that to establish Direct Deposit via ACH, in addition to including the required documentation requested below, Legal Order Payee must have their signature notarized in the 'Legal Order Payee Notarization' section of this form. If either the required documentation is not attached or Legal Order Payee signature is not notarized, ACH will not be established on my account and a check will be mailed to the address on my account.**
- Legal Order Payee would elect this option if payment is to be electronically deposited into Legal Order Payee's personal checking or savings account.
- Estimated delivery time is 2-3 business days.
- No additional charge.
- Not available for Direct Rollovers.

- If Legal Order Payee has requested a periodic installment payment and the first payment processing date does not allow for the 10 day pre-notification process, the first payment will be sent by check to Legal Order Payee's address on file.
- **The name on Legal Order Payee's checking/savings account MUST match the name provided with the Record Keeper.**
- For deposit into Legal Order Payee's **checking account**, Legal Order Payee **must** attach a copy of a preprinted voided check for the receiving account. Legal Order Payee may also attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which indicates Legal Order Payee's name, checking account number and the ABA routing number.
- For deposit into Legal Order Payee's **savings account**, Legal Order Payee **must** attach a letter on financial institution letterhead, signed by a representative from the receiving institution, which indicates Legal Order Payee's name, savings account number and the ABA routing number.
- **An ACH request can not be sent to a prepaid debit card, an IRA, or a business account.**
- **If the Direct Deposit information is incomplete or illegible, then a check will be mailed to the address of record to avoid any delays in processing.**
- ACH credit can only be made into a United States financial institution.
- Any requests received referencing a foreign financial institution or referencing a United States financial institution with a further credit to an account associated with a foreign financial institution are not available and will be rejected.

General ACH Information

- Legal Order Payee authorizes the Record Keeper to initiate credit entries and, if necessary, debit entries and adjustments for any credit entries in error.
- In addition, Legal Order Payee authorizes their financial institution, in the form of an electronic funds transfer, to credit and/or debit the same to such account.
- The Record Keeper will make payment in accordance with the direction Legal Order Payee has specified on this Form until such time that Legal Order Payee notifies the Record Keeper in writing that Legal Order Payee wishes to cancel the ACH agreement.
- Legal Order Payee must provide notice of cancellation at least 30 days prior to a payment date for the cancellation to be effective with respect to all of the subsequent payments.
- The Record Keeper reserves the right to terminate the ACH transfers for any reason and will notify Legal Order Payee in the event of such termination by sending notice to the last known address on file with the Record Keeper.
- It is Legal Order Payee's obligation to notify the Record Keeper of any address or other changes affecting electronic fund transfers during their lifetime.
- Legal Order Payee is solely responsible for any consequences and/or liabilities that may arise out of Legal Order Payee's failure to provide such notification.
- By selecting the ACH method of delivery, Legal Order Payee acknowledges that the Record Keeper is not liable for payments made by the Record Keeper in accordance with a properly completed Form.
- Legal Order Payee is authorizing and directing their financial institution not to hold any overpayments made by the Record Keeper on Legal Order Payee's behalf, or on behalf of Legal Order Payee's estate or any current or future joint account holder, if applicable.

ACH for Periodic Installment Payments Only

- ACH is a form of electronic funds transfer by which the Record Keeper can transfer Legal Order Payee's payments directly to their financial institution.
- Legal Order Payee should allow at least 15 days from the date the Record Keeper receives the properly completed Form to begin using ACH for their payments.
- Upon receipt of a properly completed Form, the Record Keeper will notify Legal Order Payee's financial institution of the ACH request. This is called the pre-notification process.
- The pre-notification process takes approximately 10 days.
- During the pre-notification process, Legal Order Payee's financial institution will confirm with the Record Keeper that the account and routing information submitted by Legal Order Payee is correct and that it will accept the ACH transfer.
- After this confirmation is received, Legal Order Payee's payments will be transferred to their financial institution within 2 days of the first payment date.
- If Legal Order Payee's payments are withdrawn from the WSIB Investment Program, the deposit to their financial institution will be delayed according to the month-end withdrawal process.
- In the event of a change to Legal Order Payee's periodic installment payment, the electronic funds transfer may be subject to delay and a check will be sent to Legal Order Payee's last known address on file with the Record Keeper.
- If Legal Order Payee's financial institution rejects the pre-notification, Legal Order Payee will be notified and payments will be mailed to Legal Order Payee via check until Legal Order Payee submits new ACH instructions.
- It is important to notify the Record Keeper in writing of any changes to Legal Order Payee's mailing address.
- Legal Order Payee may submit new ACH instructions on the Plan 3 Direct Deposit (ACH) form which is available at www.drs.wa.gov/savewithwa or by calling 1-888-327-5596.

Wire Transfer

- **Legal Order Payee understands that to have my proceeds sent as a Wire Transfer, in addition to including the required documentation requested below, Legal Order Payee must have their signature notarized in the 'Legal Order Payee Notarization' section of this form. If either the required documentation is not attached or Legal Order Payee's signature is not notarized, the proceeds will not be sent via Wire Transfer and a check will be mailed to the address of record.**
- Estimated delivery time is 1-2 business days.
- A non-refundable charge of up to \$40.00 will be deducted for each wire.
- Not available for Periodic Installment Payments.
- Additional fees may apply at the receiving financial institution.
- **Legal Order Payee MUST verify the wire transfer information provided with the financial institution receiving these funds. The Record Keeper is not responsible for inaccurate wire transfer instructions.**
- Legal Order Payee **MUST** attach a letter on financial institution letterhead signed by a representative of the receiving institution. The letter must include the following wire transfer information: Bank Name, complete Bank Mailing Address, including City, State and ZIP Code, Account Name, Account Number, ABA Routing Number and 'For Further Credit to' Name and Account Number.

Section E: How will Legal Order Payee's taxes be withheld?

- Legal Order Payee has received and **must read the attached 402(f) Notice of Special Tax Rules on Distributions**, which provides additional income tax withholding information.
- Withholding will vary depending on the type of withdrawal Legal Order Payee is requesting on the Form.
- If Legal Order Payee does not have sufficient Federal or State Income Tax withheld from their withdrawal, they will be responsible for payment of estimated tax and/or may incur penalties under estimated tax rules.

- If needed and as applicable, Legal Order Payee will consult with a tax advisor to determine the appropriate tax withholding.

Federal Income Tax Withholding

- Direct rollovers are available for spousal Legal Order Payees only. No federal income tax will be withheld from direct rollovers.
- Twenty percent (20%) mandatory federal income tax withholding will apply to all withdrawals to spousal Legal Order Payees that are eligible for rollover, but are not rolled over.
- For withdrawals not eligible for rollover, the withdrawal is subject to federal income tax withholding unless Legal Order Payee elects not to have withholding apply.
- For non-spousal Legal Order Payees, federal income tax will be withheld at the rate of 10%, unless the Record Keeper is directed otherwise..

State Income Tax Withholding

- No state income tax will be withheld on the withdrawal.
- If Legal Order Payee lives in a state other than Washington and the withdrawal is subject to state income tax, Legal Order Payee may be subject to estimated tax rules and will need to deposit the appropriate amount with the Department of Revenue of Legal Order Payee's state of residence in a timely manner.
- For more information and applicable forms or documentation that may be required for the state of residence, refer to the appropriate state tax authority.

Income Tax Withholding Applicable to Payments Delivered Outside the U.S.

- If Legal Order Payee is a U.S. citizen or U.S. resident alien and the payment is to be delivered outside the U.S. or its possessions, Legal Order Payee may not elect out of Federal Income Tax withholding.

Income Tax Withholding for a Non-U.S. Person

- If Legal Order Payee is a non-resident alien, Legal Order Payee must attach to each withdrawal request, a current version of the IRS Form W-8BEN with an original signature and this must be sent by mail or express delivery. The Record Keeper cannot accept a fax of this form.
- The withholding rate applicable to the payment is thirty percent (30%) unless a reduced rate applies because Legal Order Payee's country of residence has entered into a tax treaty with the U.S. and the treaty provides for a reduced withholding rate or an exemption from withholding. In order to claim a treaty rate, Legal Order Payee must complete the appropriate fields and provide a U.S. Taxpayer Identification Number on Form W-8BEN. Legal Order Payee can call 1-800-TAX-FORM (829-3676) or visit <http://www.irs.gov> to obtain a current version of the IRS Form W-8BEN. Legal Order Payee is strongly urged to consult with a tax advisor to determine the appropriate tax withholding.

Section F: Legal Order Payee Consent

- Legal Order Payee's signature and the date of their signature is required.
- Legal Order Payee attests to receiving, reading, understanding and agreeing to all provisions of this Form, the Guide and the 402(f) Notice of Special Tax Rules on Distributions.

Legal Order Payee Signature Notarization

Direct Deposit via ACH or Wire Transfer

- If I, the Legal Order Payee, have requested for my withdrawal to be delivered Direct Deposit via ACH or as a Wire Transfer, I must have my signature notarized. If my signature is not notarized, or if the required documentation is missing, a check will be sent to the address of record.

Permanent Address Change

- If I, the Legal Order Payee, am electing to update the address on my account, I must write the new address on the line provided in this section. If I am requesting a check, I understand that it will be mailed to this address.
- **If I am still employed, I must notify my employer of my address change.**
- Any changes to my address must be notarized.

Alternate Mailing Address

- If I, the Legal Order payee, am electing to have my withdrawal check mailed to an alternate mailing address, I would write the address on the line provided in this section. The alternate address will be used for this withdrawal only.
- Any request for an alternate mailing address must be notarized.

Section G: Where should Legal Order Payee send this form?

- Once Legal Order Payee has completed this Form, including obtaining all signatures, Legal Order Payee must forward it according to the instructions listed in this section.
- If Legal Order Payee has elected to fax this Form to the Record Keeper, Legal Order Payee needs to allow 2-4 hours for fax receipt before they call to check on the fax status.

Required Information

Important Note

- Although every effort is made to keep the information in this Guide current, it is subject to change without notice. Federal, state, and local tax laws may be revised, and new Plan provisions may be adopted by the Plan. For the most up to date version of this Guide, please visit the website at www.drs.wa.gov/plan3 or call Client Service at 1-888-327-5596.
- For more information about available investment options, including fees and expenses, I may obtain applicable prospectuses and/or disclosure documents from my registered representative. Read them carefully before investing.

402(f) NOTICE OF SPECIAL TAX RULES ON DISTRIBUTIONS

YOUR ROLLOVER OPTIONS

You are receiving this notice because all or a portion of a payment you are receiving from the Plan is eligible to be rolled over to an IRA or an employer plan. This notice is intended to help you decide whether to do such a rollover.

This notice describes the rollover rules that apply to payments from the Plan that are not from a designated Roth account (a type of account with special tax rules in some employer plans). If you also receive a payment from a designated Roth account in the Plan, you will be provided a different notice for that payment, and the Plan administrator or the payor will tell you the amount that is being paid from each account.

Rules that apply to most payments from a plan are described in the "General Information About Rollovers" section. Special rules that only apply in certain circumstances are described in the "Special Rules and Options" section.

GENERAL INFORMATION ABOUT ROLLOVERS

How can a rollover affect my taxes?

You will be taxed on a payment from the Plan if you do not roll it over. If you are under age 59½ and do not do a rollover, you will also have to pay a 10% additional income tax on early distributions (unless an exception applies). However, if you do a rollover, you will not have to pay tax until you receive payments later and the 10% additional income tax will not apply if those payments are made after you are age 59½ (or if an exception applies).

Where may I roll over the payment?

You may roll over the payment to either an IRA (an individual retirement account or individual retirement annuity) or an employer plan (a tax-qualified plan, section 403(b) plan, or governmental section 457(b) plan) that will accept the rollover. The rules of the IRA or employer plan that holds the rollover will determine your investment options, fees, and rights to payment from the IRA or employer plan (for example, no spousal consent rules apply to IRAs and IRAs may not provide loans). Further, the amount rolled over will become subject to the tax rules that apply to the IRA or employer plan.

How do I do a rollover?

There are two ways to do a rollover. You can do either a direct rollover or a 60-day rollover.

If you do a direct rollover, the Plan will make the payment directly to your IRA or an employer plan. You should contact the IRA sponsor or the administrator of the employer plan for information on how to do a direct rollover.

If you do not do a direct rollover, you may still do a rollover by making a deposit into an IRA or eligible employer plan that will accept it. You will have 60 days after you receive the payment to make the deposit. If you do not do a direct rollover, the Plan is required to withhold 20% of the payment for federal income taxes (up to the amount of cash and property received other than employer stock). This means that, in order to roll over the entire payment in a 60-day rollover, you must use other funds to make up for the 20% withheld. If you do not roll over the entire amount of the payment, the portion not rolled over will be taxed and will be subject to the 10% additional income tax on early distributions if you are under age 59½ (unless an exception applies).

How much may I roll over?

If you wish to do a rollover, you may roll over all or part of the amount eligible for rollover. Any payment from the Plan is eligible for rollover, except:

- Certain payments spread over a period of at least 10 years or over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Required minimum distributions after age 70½ (or after death)
- Hardship distributions
- ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Loans treated as deemed distributions (for example, loans in default due to missed payments before your employment ends)
- Cost of life insurance paid by the Plan
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first enrollment.
- Amounts treated as distributed because of a prohibited allocation of S corporation stock under an ESOP (also, there will generally be adverse tax consequences if you roll over a distribution of S corporation stock to an IRA).

The Plan administrator or the payor can tell you what portion of a payment is eligible for rollover.

If I don't do a rollover, will I have to pay the 10% additional income tax on early distributions?

If you are under age 59½, you will have to pay the 10% additional income tax on early distributions for any payment from the Plan (including amounts withheld for income tax) that you do not roll over, unless one of the exceptions listed below applies. This tax is in addition to the regular income tax on the payment not rolled over.

The 10% additional income tax does not apply to the following payments from the Plan:

- Payments made after you separate from service if you will be at least age 55 in the year of the separation
- Payments that start after you separate from service if paid at least annually in equal or close to equal amounts over your life or life expectancy (or the lives or joint life expectancy of you and your beneficiary)
- Payments from a governmental defined benefit pension plan made after you separate from service if you are a public safety employee and you are at least age 50 in the year of the separation
- Payments made due to disability
- Payments after your death
- Payments of ESOP dividends
- Corrective distributions of contributions that exceed tax law limitations
- Cost of life insurance paid by the Plan
- Payments made directly to the government to satisfy a federal tax levy
- Payments made under a qualified domestic relations order (QDRO)
- Payments up to the amount of your deductible medical expenses
- Certain payments made while you are on active duty if you were a member of a reserve component called to duty after September 11, 2001 for more than 179 days
- Payments of certain automatic enrollment contributions requested to be withdrawn within 90 days of the first contribution.

If I do a rollover to an IRA, will the 10% additional income tax apply to early distributions from the IRA?

If you receive a payment from an IRA when you are under age 59½, you will have to pay the 10% additional income tax on early distributions from the IRA, unless an exception applies. In general, the exceptions to the 10% additional income tax for early distributions from an IRA are the same as the exceptions listed above for early distributions from a plan. However, there are a few differences for payments from an IRA, including:

- There is no exception for payments after separation from service that are made after age 55.
- The exception for qualified domestic relations orders (QDROs) does not apply (although a special rule applies under which, as part of a divorce or separation agreement, a tax-free transfer may be made directly to an IRA of a spouse or former spouse).
- The exception for payments made at least annually in equal or close to equal amounts over a specified period applies without regard to whether you have had a separation from service.
- There are additional exceptions for (1) payments for qualified higher education expenses, (2) payments up to \$10,000 used in a qualified first-time home purchase, and (3) payments for health insurance premiums after you have received unemployment compensation for 12 consecutive weeks (or would have been eligible to receive unemployment compensation but for self-employed status).

Will I owe State income taxes?

This notice does not describe any State or local income tax rules (including withholding rules).

SPECIAL RULES AND OPTIONS

If your payment includes after-tax contributions

After-tax contributions included in a payment are not taxed. If a payment is only part of your benefit, an allocable portion of your after-tax contributions included in the payment, so you cannot take a payment of only after-tax contributions. However, if you have pre-1987 after-tax contributions maintained in a separate account, a special rule may apply to determine whether the after-tax contributions are included in a payment. In addition, special rules apply when you do a rollover, as described below.

You may roll over to an IRA a payment that includes after-tax contributions through either a direct rollover or a 60-day rollover. You must keep track of the aggregate amount of the after-tax contributions in all of your IRAs (in order to determine your taxable income for later payments from the IRAs). If you do a direct rollover of only a portion of the amount paid from the Plan and at the same time the rest paid to you, the portion directly rolled over consists first of the amount that would be taxable if not rolled over. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-

tax contributions. In this case, if you directly roll over \$10,000 to an IRA that is not a Roth IRA, no amount is taxable because the \$2,000 amount not directly rolled over is treated as being after-tax contributions. If you do a direct rollover of the entire amount paid from the Plan to two or more destinations at the same time, you can choose which destination receives the after-tax contributions.

If you do a 60-day rollover to an IRA of only a portion of the payment made to you, the after-tax contributions are treated as rolled over last. For example, assume you are receiving a distribution of \$12,000, of which \$2,000 is after-tax contributions, and no part of the distribution is directly rolled over. In this case, if you roll over \$10,000 to an IRA that is not a Roth IRA in a 60-day rollover, no amount is taxable because the \$2,000 amount not rolled over is treated as being after-tax contributions.

You may roll over to an employer plan all of a payment that includes after-tax contributions, but only through a direct rollover (and only if the receiving plan separately accounts for after-tax contributions and is not a governmental section 457(b) plan). You can do a 60-day rollover to an employer plan of part of a payment that includes after-tax contributions, but only up to the amount of the payment that would be taxable if not rolled over.

If you miss the 60-day rollover deadline

Generally, the 60-day rollover deadline cannot be extended. However, the IRS has the limited authority to waive the deadline under certain extraordinary circumstances, such as when external events prevented you from completing the rollover by the 60-day rollover deadline. To apply for a waiver, you must file a private letter ruling request with the IRS. Private letter ruling requests require the payment of a nonrefundable user fee. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*.

If your payment includes employer stock that you do not roll over

If you do not do a rollover, you can apply a special rule to payments of employer stock (or other employer securities) that are either attributable to after-tax contributions or paid in a lump sum after separation from service (or after age 59½, disability, or the participant's death). Under the special rule, the net unrealized appreciation on the stock will not be taxed when distributed from the Plan and will be taxed at capital gain rates when you sell the stock. Net unrealized appreciation is generally the increase in the value of employer stock after it was acquired by the Plan. If you do a rollover for a payment that includes employer stock (for example, by selling the stock and rolling over the proceeds within 60 days of the payment), the special rule relating to the distributed employer stock will not apply to any subsequent payments from the IRA or employer plan. The Plan administrator can tell you the amount of any net unrealized appreciation.

If you have an outstanding loan that is being offset

If you have an outstanding loan from the Plan, your Plan benefit may be offset by the amount of the loan, typically when your employment ends. The loan offset amount is treated as a distribution to you at the time of the offset and will be taxed (including the 10% additional income tax on early distributions, unless an exception applies) unless you do a 60-day rollover in the amount of the loan offset to an IRA or employer plan.

If you were born on or before January 1, 1936

If you were born on or before January 1, 1936 and receive a lump sum distribution that you do not roll over, special rules for calculating the amount of the tax on the payment might apply to you. For more information, see IRS Publication 575, *Pension and Annuity Income*.

If your payment is from a governmental section 457(b) plan

If the Plan is a governmental section 457(b) plan, the same rules described elsewhere in this notice generally apply, allowing you to roll over the payment to an IRA or an employer plan that accepts rollovers. One difference is that, if you do not do a rollover, you will not have to pay the 10% additional income tax on early distributions from the Plan even if you are under age 59½ (unless the payment is from a separate account holding rollover contributions that were made to the Plan from a tax-qualified plan, a section 403(b) plan, or an IRA). However, if you do a rollover to an IRA or to an employer plan that is not a governmental section 457(b) plan, a later distribution made before age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies). Other differences are that you cannot do a rollover if the payment is due to an "unforeseeable emergency" and the special rules under "If your payment includes employer stock that you do not roll over" and "If you were born on or before January 1, 1936" do not apply.

If you are an eligible retired public safety officer and your pension payment is used to pay for health coverage or qualified long-term care insurance

If the Plan is a governmental plan, you retired as a public safety officer, and your retirement was by reason of disability or was after normal retirement age, you can exclude from your taxable income plan payments paid directly as premiums to an accident or health plan (or a qualified long-term care insurance contract) that your employer maintains for you, your spouse, or your dependents, up to a maximum of \$3,000 annually. For this purpose, a public safety officer is a law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew.

If you roll over your payment to a Roth IRA

If you roll over a payment from the Plan to a Roth IRA, a special rule applies under which the amount of the payment rolled over (reduced by any after-tax amounts) will be taxed. However, the 10% additional income tax on early distributions will not apply (unless you take the amount rolled over out of the Roth IRA within 5 years, counting from January 1 of the year of the rollover).

If you roll over the payment to a Roth IRA, later payments from the Roth IRA that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a Roth IRA is a payment made after you are age 59½ (or after your death or disability, or as a qualified first-time homebuyer distribution of up to \$10,000) and after you have had a Roth IRA for at least 5 years. In applying this 5-year rule, you count from January 1 of the year for which your first contribution was made to a Roth IRA. Payments from the Roth IRA that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exception applies). You do not have to take required minimum distributions from a Roth IRA during your lifetime. For more information, see IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)* and IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*.

If you do a rollover to a designated Roth account in the Plan

You cannot roll over a distribution to a designated Roth account in another employer's plan. However, you can roll the distribution over into a designated Roth account in the distributing Plan. If you roll over a payment from the Plan to a designated Roth account in the Plan, the amount of the payment rolled over (reduced by any after-tax amounts directly rolled over) will be taxed. However, the 10% additional tax on early distributions will not apply (unless you take the amount rolled over out of the designated Roth account within the 5-year period that begins on January 1 of the year of the rollover).

If you roll over the payment to a designated Roth account in the Plan, later payments from the designated Roth account that are qualified distributions will not be taxed (including earnings after the rollover). A qualified distribution from a designated Roth account is a payment made both after you are age 59½ (or after your death or disability) and after you have had a designated Roth account in the Plan for at least 5 years. In applying this 5-year rule you count from January 1 of the year your first contribution was made to the designated Roth account. However, if you made a direct rollover to a designated Roth account in the Plan from a designated Roth account in a plan of another employer, the 5-year period begins on January 1 of the year you made the first contribution to the designated Roth account in the Plan or, if earlier, to the designated Roth account in the plan of the other employer. Payments from the designated Roth account that are not qualified distributions will be taxed to the extent of earnings after the rollover, including the 10% additional income tax on early distributions (unless an exceptions applies).

If you are not a plan participant

Payments after death of the participant. If you receive a distribution after the participant's death that you do not roll over, the distribution will generally be taxed in the same manner described elsewhere in this notice. However, the 10% additional income tax on early distributions and the special rules for public safety officers do not apply, and the special rule described under the section "If you were born on or before January 1, 1936" applies only if the participant was born on or before January 1, 1936.

If you are a surviving spouse. If you receive a payment from the Plan as the surviving spouse of a deceased participant, you have the same rollover options that the participant would have had, as described elsewhere in this notice. In addition, if you choose to do a rollover to an IRA, you may treat the IRA as your own or as an inherited IRA. An IRA you treat as your own is treated like any other IRA of yours, so that payments made to you before you are age 59½ will be subject to the 10% additional income tax on early distributions (unless an exception applies) and required minimum distributions from your

IRA do not have to start until after you are age 70½. If you treat the IRA as an inherited IRA, payments from the IRA will not be subject to the 10% additional income tax on early distributions. However, if the participant had started taking required minimum distributions, you will have to receive required minimum distributions from the inherited IRA. If the participant had not started taking required minimum distributions from the Plan, you will not have to start receiving required minimum distributions from the inherited IRA until the year the participant would have been age 70½.

If you are a surviving beneficiary other than a spouse. If you receive a payment from the Plan because of the participant's death and you are a designated beneficiary other than a surviving spouse, the only rollover option you have is to do a direct rollover to an inherited IRA. Payments from the inherited IRA will not be subject to the 10% additional income tax on early distributions. You will have to receive required minimum distributions from the inherited IRA.

Payments under a qualified domestic relations order. If you are the spouse or former spouse of the participant who receives a payment from the Plan under a qualified domestic relations order (QDRO), you generally have the same options the participant would have (for example, you may roll over the payment to your own IRA or an eligible employer plan that will accept it). Payments under the QDRO will not be subject to the 10% additional income tax on early distributions.

If you are a nonresident alien

If you are a nonresident alien and you do not do a direct rollover to a U.S. IRA or U.S. employer plan, instead of withholding 20%, the Plan is generally required to withhold 30% of the payment for federal income taxes. If the amount withheld exceeds the amount of tax you owe (as may happen if you do a 60-day rollover), you may request an income tax refund by filing Form 1040NR and attaching your Form 1042-S. See Form W-8BEN for claiming that you are entitled to a reduced rate of withholding under an income tax treaty. For more information, see also IRS Publication 519, *U.S. Tax Guide for Aliens*, and IRS Publication 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*.

Other special rules

If a payment is one in a series of payments for less than 10 years, your choice whether to make a direct rollover will apply to all later payments in the series (unless you make a different choice for later payments). If your payments for the year are less than \$200 (not including payments from a designated Roth account in the Plan), the Plan is not required to allow you to do a direct rollover and is not required to withhold for federal income taxes. However, you may do a 60-day rollover. Unless you elect otherwise, a mandatory cash-out of more than \$1,000 (not including payments from a designated Roth account in the Plan) will be directly rolled over to an IRA chosen by the Plan administrator or the payor. A mandatory cash-out is a payment from a plan to a participant made before age 62 (or normal retirement age, if later) and without consent, where the participant's benefit does not exceed \$5,000 (not including any amounts held under the plan as a result of a prior rollover made to the plan).

You may have special rollover rights if you recently served in the U.S. Armed Forces. For more information, see IRS Publication 3, *Armed Forces' Tax Guide*.

Postponement of Distribution Notice

If you elect to defer your distribution, the Plan will not make a distribution to you without your consent until required by the terms of the Plan or by law. If you elect to defer your distribution, your vested account balance will continue to experience investment gains, losses and Plan expenses. As a result, the value of your vested account balance ultimately distributed to you could be more or less than the value of your current vested account balance. In determining the economic consequences of postponing your distribution, you should compare the administration cost and investment options (including fees) applicable to your vested account balance in the Plan if you postpone your distribution to the costs and options you may obtain with investment options outside the plan.

Upon distribution of your vested account balance from the Plan, you will be taxed (except to the extent your vested account balance consists of after-tax contributions or qualified amounts held in a ROTH money source) on your vested account balance at the time of the distribution if you do not rollover your balance. As explained in greater detail in the 402(f) Notice of Special Tax Rules on Distributions, you can roll over your distribution directly or you may receive your distribution and roll it over within 60 days to avoid current taxation and to continue to have the opportunity to accumulate tax-deferred earnings. There are many complex rules relating to rollovers, and you

should read the 402(f) Notice of Special Tax Rules on Distributions carefully before deciding whether a rollover is desirable in your circumstances. You should also note that a 10% penalty tax may apply to distributions made before you reach age 59½, unless another exception applies.

If you defer your distribution of your vested account balance, you may invest in the investment options available to active employees. If you do not defer distribution of your vested account balance, the currently available investment options in the Plan may not be generally available on similar terms outside the Plan. Fees and expenses (including administrative or investment related fees) outside the Plan may be different from fees and expenses that apply to your vested account balance in the Plan. For more information about fees, expenses, and currently available Plan investment options, including investment related fees, refer to the prospectuses and/or disclosure documents regarding Plan investments and fees available from your Plan administrator and/or Plan service representative.

When considering whether to defer your distribution, carefully review the Plan Document and/or Plan's Summary Plan Description, including the sections on timing of distributions and available distributions.

FOR MORE INFORMATION

You may wish to consult with the Plan administrator or payor, or a professional tax advisor, before taking a payment from the Plan. Also, you can find more detailed information on the federal tax treatment of payments from employer plans in: IRS Publication 575, *Pension and Annuity Income*; IRS Publication 590-A, *Contributions to Individual Retirement Arrangements (IRAs)*; IRS Publication 590-B, *Distributions from Individual Retirement Arrangements (IRAs)*; and IRS Publication 571, *Tax-Sheltered Annuity Plans (403(b) Plans)*. These publications are available from a local IRS office, on the web at www.irs.gov, or by calling 1-800-TAX-FORM.